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May 6, 2011

**VIA MESSENGER**



Cynthia T. Brown  
Chief, Section of Administration  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

Re: Finance Docket 35095, Alaska Railroad Corporation - Construction and  
Operation of a Rail Line to Port MacKenzie, Alaska

Dear Chief Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of a letter from Christopher Aadnesen, President and CEO, Alaska Railroad Corporation. I have also enclosed one extra copy of the letter for date-stamping and return.

Thank you for your assistance in this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,

Kathryn Kusske Floyd

Enclosure

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May 3, 2011

Cynthia T. Brown  
Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street S.W.  
Washington, DC 20423-0001



TEL 907.265.2300

RE: STB Finance Docket No. 35095, Alaska Railroad Corporation – Petition for Exemption To Construct And Operate A Rail Line Extension To Port MacKenzie, Alaska

Dear Ms. Brown:

I am writing to respectfully request that the Board waive 49 U.S.C. § 1121.4(e)'s 30-day waiting period between the service of a decision in the above-named proceeding and that decision's effective date. As detailed below, this waiver is needed because the narrow timing windows of the Alaska construction season may make it more difficult for the Alaska Railroad Corporation's ability to complete the project on-time and on-budget.

As you are aware, the Alaska Railroad Corporation (ARRC), has petitioned the Board for permission to construct and operate a project known as the Port MacKenzie Rail Extension—approximately 30-45 miles of new rail line that will connect ARRC's main line to the facilities at the Matanuska-Susitna Borough's Port MacKenzie. With the release of the Final Environmental Impact Statement (FEIS) on March 25, 2011, the environmental review process for the project is now complete. As soon as notice of the FEIS appears in the Federal Register, and the Programmatic Agreement for the project is executed, the Board will be free to issue a decision on ARRC's petition. See 40 C.F.R. § 1506.10(b).

The applicable regulations state that an exemption will become effective 30 days from service "[u]nless otherwise specified in the decision." 49 U.S.C. § 1121.4(e). In prior matters, the Board has been willing to make expedited decisions when faced with external project timing deadlines. For example, the parties involved in Finance Docket No. 35087, *Canadian Railway Co. & Grand Trunk Corp.—Control—EJ&E West Co.*, were facing a December 31 transaction deadline. Notice of the Board's Final EIS appeared in the Federal Register on December 12, 2008, and the Board made a final decision on December 24, only twelve days later. The Board also moved up the effective date of its decision in Docket No. AB-1, *Chicago & Northwestern Transp. Co.—Abandonment Exemption—Blackhawk County, IA*, where delay would have risked a loss of \$11.9 million in federal funding, and in Finance Docket No. 32761, *Union Pacific Corp.—Securities Exemption*, where the Board made its decision effective on 3 days notice "in view of the uncertainties presently existing in the financial markets."

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**STB Finance Docket No. 35095, Alaska Railroad Corporation – Petition for Exemption To Construct And Operate A Rail Line Extension To Port MacKenzie, Alaska**

**May 3, 2011**

ARRC is making this request to ensure that it can meet the external deadlines relevant to the Port MacKenzie Rail Extension Project. The Board's decision is an important step in a series of interconnected actions. ARRC is advertising bids for construction of the first segment of the project this month, with the expectation that an award will be made in time for construction to begin in June. Bids for Segment 3 and 4 construction will likely be awarded this fall, which will allow construction on those segments to commence in June 2012. Because Alaska's construction seasons are so short, a Board decision that does not become effective in time for Segment 1 construction to start during this year's season could delay all three segments for a full year. The problems related to this significant delay would be compounded by the potential loss of funding from the Alaska legislature, which expects to see progress on the project before it commits more money. For these reasons, even a relatively short delay in the effective date of the Board's final decision may have a ripple effect that could delay the entire project and risk the loss of state funding. ARRC therefore respectfully asks the Board to waive the usual 30-day waiting period between service of the final decision and its effective date.

Thank you for your time and attention to this matter. If I can be of assistance in any way, please do not hesitate to contact me.

Sincerely,

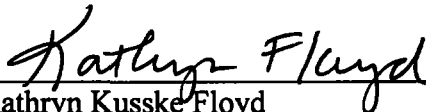


**Christopher Aadnesen  
President and CEO**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing letter from Christopher Aadnesen, President and CEO for Alaska Railroad Corporation, is being served on the following party of record in this proceeding by first-class mail, postage prepaid:

Daniel B. Robertson  
11301 Snowline Drive  
Anchorage, AK 99507

  
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*Counsel for Alaska Railroad Corp.*